GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:110
ANSWERED ON:01.08.2005
FARM DEBT
Chakrabortty Shri Swadesh;Prabhu Shri Suresh Prabhakar

Will the Minister of AGRICULTURE be pleased to state:

(a) whether attention of the Government has been drawn to the figures of the National Sample Survey Organisation (NSSO) regarding `farm debt` which has become one of the biggest suicide inducing factors in the country;

(b) if so, the details of suicide deaths as per NSSO and State police records during the last five years, State-wise;

(c) whether the Government is aware that the Government bodies have shifted their responsibilities to private money lenders; and

(d) if so, the steps taken by the Government to save the farmers from the clutches of private money lenders?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 110 DUE FOR REPLY ON 1ST AUGUST, 2005.

(a): The survey report released by the National Sample Survey Organization (NSSO) in the month of May, 2005 on indebtedness of farmer households does not address the issue of suicide due to farm debt but the Government is aware of the fact that indebtedness is one of the major reason for suicide by the farmers.

(b): NSSO does not collect and maintain such information. State-wise information in respect of suicide death of farmers compiled on the basis of information made available by the State Governments is annexed.

(c)&(d): To save the farmers from the clutches of private moneylenders, the Government has taken several measures and has advised the banks to:

i. To increase the agricultural credit flow at the rate of 30% per year.

ii. To restructure the outstanding debt of the farmers under the following heads in accordance with the guidelines issued by Reserve bank of India (RBI)/ National Bank for Agriculture & Rural Development (NABARD):

? Farmers in distress − Rescheduling/restructuring of the outstanding loan of the farmer as on 31st March, 2004 in the districts declared as calamity-affected by the State Government. Rescheduled loan shall be repayable over a period of five years, at current interest rates, including an initial moratorium of two years.

? Farmers in arrears − Loans in default of farmers who have become ineligible for fresh credit as their earlier debts have been categorized as sub-standard or doubtful shall be rescheduled as per the guidelines so that such farmers become eligible for fresh credit.

iii. To grant a one-time settlement (OTS) including partial waiver of interest or loan to the small and marginal farmers who have been declared as defaulters and have become ineligible for fresh credit. Banks have also been advised to review cases where credit has been denied on the sole ground that a loan account was settled through compromise or write offs.

iv. In some parts of the country, farmers face acute distress because of the heavy burden of debt from non-institutional lenders (e.g., moneylenders). Banks have been permitted to advance loans to such farmers to provide them relief from indebtedness.

v. All the Public Sector banks have been advised to reduce their lending rate for agriculture to a single digit rate of not more than 9% per annum on crop loans upto a ceiling of Rs. 50,000/-. This rate will benefit most of the crop loan account holders and will cover

almost all the small and marginal farmers.

vi. To waive margin/ security requirements for agricultural loans up to Rs. 50,000 and agri- business and agri-clinics up to Rs. 5 lakh.

ANNEXURE

ANNEXURE REFERRED TO IN PART (b) OF LOK SABHA STARRED QUESTION NO. 110 FOR ANSWER ON 01.08.2005 BY SHRI SHRI SURESH PRABHAKAR PRABHU & SHRI SWADESH CHAKRABORTTY REGARDING `FARM DEBT`.

Sl.No.	Name of the State	Period	No. (Based on the figures reported by State Govts.)
1.	Andhra Pradesh	2001-02	233
		2002-03	280
		2003-04	258
		2004-05	758
		(upto 31.12.2004)	
2.	Karnataka###	2000-01	2630
		2001-02	2505
		2002-03	2340
		2003-04	708
		2004-05	216
		(upto 28.02.2005)	
3.	Maharashtra	2001	64
		2002	131
		2003	180
		2004	524
4.	Punjab	2001	1
		2002	-
		2003	2
		2004	-
5.	Kerala	2002	44
		2003	40
		2004	96

6.	Tamil Nadu (upto 30.09.2004)	2004-05	31

Note: As per the information furnished by the State Government of Karnataka, the figures for the years 2000-01 to 2002-03 are based on the records with the State Crime Records Bureau; and for the years 2003-04 and 2004-05 (upto 28.2.2005) on the basis of records maintained by the Agriculture Department of the State.